

**SCHIP Section 1115 Waiver Budget Template**

Arizona AHCCCS Program	FFY 01 Previous Fiscal Year	FFY 02 Federal Fiscal Year 1	FFY 03 Federal Fiscal Year 2	FFY 04 Federal Fiscal Year 3	FFY 05 Federal Fiscal Year 4	FFY 06 Federal Fiscal Year 5	Total FFY 02 to FFY 06
State's allotment (See Assumptions Below)	\$124,519,004	\$87,166,211	\$87,166,211	\$87,166,211	\$120,000,000	\$120,000,000	\$501,498,633
Funds carried over from prior year(s)	\$246,459,273	\$259,143,063	\$211,685,215	\$116,632,918	\$65,877,031	\$38,438,693	\$259,143,063
SUBTOTAL (allotment + funds carried over)	\$370,978,277	\$346,309,274	\$298,851,426	\$203,799,129	\$185,877,031	\$158,438,693	\$760,641,696
Redistributed funds (currently available)	\$50,733,452						\$0
TOTAL (Subtotal + redistributed funds)	\$421,711,729	\$346,309,274	\$298,851,426	\$203,799,129	\$185,877,031	\$158,438,693	\$760,641,696
State's enhanced FMAP rate	76.04%	75.49%	77.01%	77.01%	77.01%	77.01%	
<b>COST PROJECTIONS OF APPROVED SCHIP PLAN</b>							
<b>Benefit Costs</b>							
Insurance payments							
Managed care	\$56,114,466	\$79,460,808	\$107,258,888	\$120,516,087	\$129,663,258	\$139,367,256	\$576,266,297
per member/per month rate @ # of eligibles	\$105.36	\$109.19	\$118.57	\$125.69	\$133.23	\$141.22	
Fee for Service							
<b>Total Benefit Costs</b>	<b>\$56,114,466</b>	<b>\$79,460,808</b>	<b>\$107,258,888</b>	<b>\$120,516,087</b>	<b>\$129,663,258</b>	<b>\$139,367,256</b>	<b>\$576,266,297</b>
(Offsetting beneficiary cost sharing payments)	\$1,287,765	\$1,481,793	\$1,758,328	\$1,758,328	\$1,758,328	\$1,758,328	\$8,515,107
<b>Net Benefit Costs</b>	<b>\$54,826,701</b>	<b>\$77,979,015</b>	<b>\$105,500,560</b>	<b>\$118,757,758</b>	<b>\$127,904,929</b>	<b>\$137,608,928</b>	<b>\$567,751,190</b>
<b>Administration Costs</b>							
Personnel	\$ 2,962,655	\$ 3,766,337	\$ 3,966,105	\$ 4,164,410	\$ 4,372,631	\$ 4,591,262	\$20,860,745
General administration	\$ 3,911,255	\$ 4,972,263	\$ 5,235,995	\$ 5,497,795	\$ 5,772,684	\$ 6,061,319	\$27,540,056
Contractors/Brokers (e.g., enrollment contractors)							
Claims Processing							
Outreach/marketing costs							
Other							
<b>Total Administration Costs*</b>	<b>\$6,873,910</b>	<b>\$8,738,600</b>	<b>\$9,202,100</b>	<b>\$9,662,205</b>	<b>\$10,145,315</b>	<b>\$10,652,581</b>	<b>\$48,400,801</b>
10% Administrative Cap	\$6,091,856	\$8,664,335	\$11,722,284	\$13,195,306	\$14,211,659	\$15,289,881	\$63,083,466
Federal Share	\$46,322,470	\$65,407,065	\$88,332,518	\$98,896,214	\$106,312,493	\$114,176,188	\$473,124,478
State Share	\$14,596,086	\$21,236,285	\$26,370,141	\$29,523,750	\$31,737,751	\$34,085,321	\$142,953,248
<b>TOTAL COSTS OF APPROVED SCHIP PLAN</b>	<b>\$60,918,556</b>	<b>\$86,643,350</b>	<b>\$114,702,660</b>	<b>\$128,419,963</b>	<b>\$138,050,245</b>	<b>\$148,261,509</b>	<b>\$616,077,726</b>

<b>COST PROJECTIONS OF SCHIP DEMONSTRATION PROPOSAL</b>							
<b>Benefit Costs for Demonstration Population #1 (e.g., non-categoricals)</b>							
Insurance payments							
Managed care	\$0	\$62,494,681	\$87,793,492	\$0	\$0	\$0	\$150,288,173
per member/per month rate @ # of eligibles	\$0.00	\$471.58	\$323.72	\$0.00	\$0.00	\$0.00	
Fee for Service							
<b>Total Benefit Costs for Waiver Population #1</b>	<b>\$0</b>	<b>\$62,494,681</b>	<b>\$87,793,492</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,288,173</b>
<b>Benefit Costs for Demonstration Population #2 (e.g., SCHIP parents)</b>							
Insurance payments							
Managed care	\$0	\$0	\$24,719,370	\$47,335,789	\$49,948,755	\$52,709,619	\$174,713,533
per member/per month rate @ # of eligibles	\$0.00	\$0.00	\$175.95	\$185.63	\$195.88	\$206.70	
Fee for Service							
<b>Total Benefit Costs for Waiver Population #2</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,719,370</b>	<b>\$47,335,789</b>	<b>\$49,948,755</b>	<b>\$52,709,619</b>	<b>\$174,713,533</b>
<b>Total Benefit Costs</b>	<b>\$0</b>	<b>\$62,494,681</b>	<b>\$112,512,862</b>	<b>\$47,335,789</b>	<b>\$49,948,755</b>	<b>\$52,709,619</b>	<b>\$325,001,706</b>
(Offsetting beneficiary cost sharing payments)			\$231,807	\$420,750	\$420,750	\$420,750	\$1,494,057
<b>Net Benefit Costs</b>	<b>\$0</b>	<b>\$62,494,681</b>	<b>\$112,281,055</b>	<b>\$46,915,039</b>	<b>\$49,528,005</b>	<b>\$52,288,869</b>	<b>\$323,507,649</b>
<b>Administration Costs</b>							
Personnel		\$ 2,962,165	\$ 4,151,809	\$ 1,621,140	\$ 1,670,232	\$ 1,722,585	\$12,127,931
General administration		\$ 3,910,607	\$ 5,481,159	\$ 2,140,206	\$ 2,205,016	\$ 2,274,132	\$16,011,120
Contractors/Brokers (e.g., enrollment contractors)							
Claims Processing							
Outreach/marketing costs							
Other (specify)							
<b>Total Administration Costs</b>	<b>\$0</b>	<b>\$6,872,772</b>	<b>\$9,632,969</b>	<b>\$3,761,346</b>	<b>\$3,875,248</b>	<b>\$3,996,717</b>	<b>\$28,139,051</b>
10% Administrative Cap	\$0	\$6,943,853	\$12,475,673	\$5,212,782	\$5,503,112	\$5,809,874	\$35,945,294
Federal Share	\$0	\$52,365,490	\$93,885,990	\$39,025,884	\$41,125,845	\$43,345,530	\$269,748,738
State Share	\$0	\$17,001,963	\$28,028,034	\$11,650,501	\$12,277,408	\$12,940,056	\$81,897,962
<b>TOTAL COSTS FOR DEMONSTRATION</b>	<b>\$0</b>	<b>\$69,367,453</b>	<b>\$121,914,024</b>	<b>\$50,676,385</b>	<b>\$53,403,252</b>	<b>\$56,285,586</b>	<b>\$351,646,700</b>
<b>TOTAL PROGRAM COSTS</b>	<b>\$60,918,556</b>	<b>\$156,010,803</b>	<b>\$236,616,683</b>	<b>\$179,096,348</b>	<b>\$191,453,497</b>	<b>\$204,547,095</b>	<b>\$967,724,426</b>
<b>ALLOTMENT less TOTAL FEDERAL PROGRAM COSTS</b>	<b>\$375,389,259</b>	<b>\$228,536,719</b>	<b>\$116,632,918</b>	<b>\$65,877,031</b>	<b>\$38,438,693</b>	<b>\$916,976</b>	<b>\$17,768,479</b>
<b>REVERTMENTS</b>	<b>\$116,246,196</b>	<b>\$16,851,504</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,851,504</b>
<b>NET CARRY OVER AMOUNTS</b>	<b>\$259,143,063</b>	<b>\$211,685,215</b>	<b>\$116,632,918</b>	<b>\$65,877,031</b>	<b>\$38,438,693</b>	<b>\$916,976</b>	<b>\$916,976</b>

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<b>Federal Expenditures</b>							
Title XXI SCHIP State Plan		\$65,407,065	\$88,332,518	\$98,896,214	\$106,312,493	\$114,176,188	\$473,124,478
Title XXI HIFA #1		\$52,365,490	\$73,398,287				\$125,763,777
Title XXI HIFA #2			\$20,487,703	\$39,025,884	\$41,125,845	\$43,345,530	\$143,984,961
<b>Total Title XXI Funding</b>		\$117,772,555	\$182,218,508	\$137,922,098	\$147,438,338	\$157,521,718	\$742,873,216
<b>Title XIX Funding</b>		\$ (44,045,430)	\$ (62,720,400)	\$110,378,458	\$137,234,734.45	\$146,822,124.63	\$287,669,488

Note: Federal Fiscal Year (FFY) 2001 is October 1, 2000 through September 30, 2001.

\* SFY

**ASSUMPTIONS**

1. Allotment amounts for FFY 02 to FFY 04 based on preliminary FFY 02 allotments, FFY 05 and 06 set at \$120 million.
2. The only redistributed amounts are the FFY 98 amount; no assumption made regarding the redistribution of the \$116 million of FFY 99 that was reverted
3. The expenditures for the Approved SCHIP Plan are AHCCCS rebase budget numbers through FFY 03, growth forecasted for '04 @ 1.06 for population and 1.06 for PMPM; for '05 @ 1.015 for population and 1.06 for PMPM; for '06 @ 1.014 for population and 1.06 for PMPM
4. Given the funding limitations, Waiver One operates in FFY 02 and 03, afterwhich the population will be funded by TXIX.
5. Waiver Two operates in FFY 03 forward with a limited population.
6. Administrative costs for waivers assumed based on the ratio of Admin costs to program costs in Approved SCHIP Plan. Any expenditures in excess of the 10 percent cap will not be funded out of SCHIP funds.
7. Note that Program costs are calculated as net payments by AHCCCS. All copays are deducted in the establishment of the capitation rate and left to the providers to collect.
8. State's FMAP and enhanced FMAP taken from projections by Federal Funds Information for States Issue Brief 01-53 (9-25--01) see ([www.ffis.org](http://www.ffis.org))
9. In estimating the Title XIX funding, a negative number is shown to indicate the amount of reduced spending under the 1/18/01 1115 waiver, after FFY 03, all the costs for this program will be under that waiver; administration costs were assumed for the purpose of presentation to be matched at 50%

10.997%